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RAISIN AND RAISIN GRAPE PURCHASE AND RESALE PROGRAM  
OF CCC(OD) FOR THE 1944-45 MARKETING SEASON

I. INTRODUCTION

The War Food Administration has authorized the purchase and resale of the entire 1944 production of raisins and unprocessed raisin grapes except that sold to other Government agencies by the packers. In order to assure an adequate supply of raisins for the war services, our allies, and for essential civilian use, War Food Order 17 was amended to make it effective in respect to the 1944 production. The order provides that all raisin variety grapes produced in designated counties in the State of California must be converted into raisins, sold to canners for the making of fruit cocktail, or sold to the War Food Administration for resale in fresh or beverage outlets.

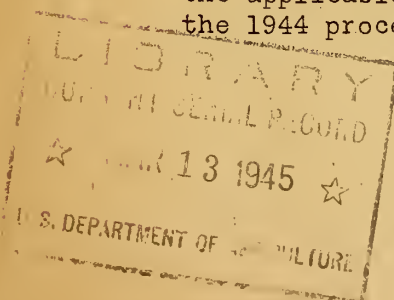
War Food Order 16 requires that 100 percent of the 1944 raisin production be set aside for the use of Government agencies, but it is contemplated that such portion of the production as is not needed by these agencies will be released for U. S. civilian consumption.

The program will be financed from Commodity Credit Corporation funds, and will be effective from August 15, 1944 to June 30, 1945.

II. GENERAL DESCRIPTION OF THE PROGRAM

A. Processed Raisins

Commodity Credit Corporation (OD) will enter into 1944 processed raisin agreements with packers of raisins the major provisions of which are the packer agrees (1) to pay all producers the applicable producer support prices in respect to all of the packer's purchases of 1944 raisins in natural condition; (2) to sell to CCC (OD) all of the packer's processed 1944 raisins, other than those which may be sold directly by the packer, prior to July 1, 1945, to any other Government agency pursuant to express authority to the packer by the War Food Administration. The producer support prices are the maximum prices in effect as of the effective date of Maximum Price Regulation 557, as issued by the Office of Price Administration on September 9, 1944. The sales prices to CCC(OD) will be the applicable "Commodity Purchase Price" shown in Schedule A of the 1944 processed raisin agreement.



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II. A. (Cont.)

Purchases of processed raisins by CCC(OD) for sale by CCC(OD) to other Government agencies or for stockpiling by CCC(OD) will be made under the GCP Program. Distribution of such raisins will be by CCC(OD) under the GCP Program.

To the extent that War Food Administration permits sales of processed raisins to civilian purchasers, the packer will proceed with the normal distribution and sale thereof to such civilian purchasers. All such sales (exclusive of export sales) by the packer to civilian purchasers will be made at prices not in excess of the applicable civilian sale prices. Immediately prior to any such sale of the Thompson Seedless (including Golden Bleached, Soda Dipped, Sulphur Bleached, and Natural), Muscat, and Sultana Varieties (exclusive of Valencia type or dehydrated Muscat) CCC (OD) will purchase such raisins from the packer at the applicable "Commodity Purchase Price" and immediately thereafter, will sell such raisins to the packer at the applicable "Commodity Sale Price", such prices being shown in Schedule A of the 1944 processed raisin agreement. Such purchases by CCC(OD) from the packer and resale to the packer by CCC(OD) will be effected under the 1944 Raisin Subsidy Program of CCC(OD), LCS22a. For the purpose of making settlements between the packer and CCC(OD), the amounts due CCC(OD) from the packer and the amounts due the packer from CCC(OD) will be offset against each other and the difference will be settled as the respective interests may appear. The subsidy program for raisins is required because the price ceiling for raisins sold in civilian trade channels will not cover the necessary cost of raw material and the margins or costs of the processors. Losses to be incurred under the operation of the subsidy phase of the program are not expected to exceed \$11,200,000.00.

B. Raisin Grapes and Sub-Standard Raisins

Commodity Credit Corporation (OD) will purchase from producers (1) all undryable raisin grapes, (2) that portion of the raisin grape production not needed for conversion into raisins, (3) damaged partially dried grapes, and (4) damaged raisins in order that requirements of the United States for defense, for private account, and for export will be fulfilled. The purpose of this phase of the program is to prevent diversion of such commodities into beverage and fresh channels and to provide an equitable distribution of income among producers for all raisin-type grapes. In addition, the program insures raisin producers against loss due to weather damage after grapes are placed on trays. It is expected that purchase prices to be paid by CCC(OD) for the four classes of grapes and raisins stated above will average \$48 per ton on a fresh grape basis and that sales prices will average \$85 per ton. The anticipated net profit on this phase of the program will be distributed equitably among the raisin grape producers in the area



II. B. (Cont.)

covered by War Food Order 17. The Raisin Producers' Association, Fresno, California, acting as agent for CCC(OD) will discharge this phase of the program. Reasonable and necessary administrative and operating expenses of the Association will be applied against the gross profit on sales.

III. EXAMINATION OF CLAIMS

A. Processed Raisins

Claims for amounts due by CCC(OD) under 1944 processed raisin agreements will be submitted to the Western Regional Finance Office (Program Contract Accounting Section) for examination as follows:

1. GCP Program:

Such of the claims covering purchases under the GCP Program shall be processed pursuant to Finance Instruction 551.3, Section I, Part A.

2. Processed Raisin Subsidy Program, LCS22a:

Claims from packers for subsidy payments on authorized sales of processed raisins by packers to domestic civilian purchasers will be processed pursuant to Finance Instruction 551.3, Section V, Part A.

B. Raisin Grapes and Sub-Standard Raisins

Claims for amounts to be advanced by CCC(OD) to Raisin Producers' Association to cover administrative and operating expenses of the phase of the program conducted through the Association will be submitted to the Western Regional Finance Office (Program Contract Accounting Section) where they shall be processed pursuant to Finance Instruction 551.3, Section V, Part B.

All of the claims for amounts due by CCC(OD) or due to CCC(OD) pertaining to the raisin grape and sub-standard raisin program operated by Raisin Producers' Association will be submitted to and processed by the Association pursuant to Finance Instruction 551.3, Section V, Part B.

IV. ACCOUNTING

A. Processed Raisins

Accounting for the processed raisins procured by CCC(OD) for stockpile or for immediate sale to Government agencies will be performed by the Program Accounting Section in New York in accordance with

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IV. A. (Cont.)

the procedure established for the GCP Program.

Accounting for subsidy payments covering processed raisins distributed by packers in civilian trade channels will be performed by the Western Regional Finance Office in accordance with Finance Instruction 560.7, 561.7, 562.7, 563.7, and 564.7. The subsidiary ledger accounts shall be organized to reflect the tons and amount of payments under each variety of raisin.

B. Raisin Grapes and Sub-Standard Raisins

All accounting for procurement and disposition of raisin grapes and sub-standard raisins, administrative and operating expenses incidental thereto, and distribution of net profits resulting from the operation of this phase of the program shall be performed by the Raisin Producers' Association as agent for CCC pursuant to the accounting methods employed by that Association.

Copies of all disbursement and collection schedules applicable to this phase of the program both those processed by the Raisin Producers' Association and those processed by the Western Regional Finance Office (Program Contract Accounting Section) will be routed to the Fund Accounting Section of the Western Regional Finance Office where they shall be recorded in a memorandum cash account to be established by that Section covering deposits and drawings from the account of CCC in the Federal Reserve Bank, San Francisco, California, by the Association. The schedules will be held in a pending file until receipt of accomplished copies from the bank.

C. Bank Reconciliations

Daily the Fund Accounting Section of the Western Regional Finance Office shall prepare a reconciliation of cash deposits and drawings in the Federal Reserve Bank, as reported by the Bank with the combined records of the Fund Accounting Section covering Program LCS22a and the memorandum cash account mentioned in the preceding paragraph covering the raisin grape and sub-standard raisin phase of the program.

These daily cash reconciliations shall be listed on a schedule (original and three copies) monthly to be furnished the Program Accounting Section in New York for distribution to the Treasurer of CCC and others.

V. REPORTING

A. Processed Raisins

Finance operations under this program pertaining to the procurement, stockpiling, and distribution of processed raisins other than to civilian purchasers shall be included in and reported under the GCP Program in accordance with present reporting procedure applicable to the GCP Program.

Operations pertaining to the subsidy payments made to packers by CCC(OD) applicable to processed raisins distributed to domestic civilian purchasers shall be reported by the Western Regional Finance Office (and the Program Accounting Section in New York) in accordance with Finance Instruction 569.7.

B. Raisin Grapes and Sub-Standard Raisins

The financial position and operations under the phase of the program applicable to the procurement and distribution of raisin grapes and sub-standard raisins shall be reported by the Raisin Producers' Association by means of the following monthly accounting statements and schedules to be furnished on or before the 10th day following the date or close of the period covered by the statement:

1. Balance sheet, as at the end of the report period (original and seven copies).
2. Statement of profit and loss from operations, for the period August 15, 1944 to (close of report period) (original and seven copies).
3. Analysis of surplus or undivided profits, for each month (original and seven copies).
4. Other reports as needed and requested by CCC(OD).

The Association will retain one copy of each statement or report for its files and will distribute one copy of each to the Western Regional Finance Office of Office of Distribution, WFA, San Francisco, California, and the original and remaining copies of all statements and reports to the Chief Fiscal Officer, Finance Division, Office of Distribution, WFA, South Building, Washington, D. C. for further distribution by the Finance Division as follows:

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V. B. (Cont.)

Original of balance sheet, operating statement, and analysis of surplus to Director of Office of Distribution, and copies to each of the following:

Deputy Director for Management  
Deputy Director for Civilian Programs  
Treasurer of CCC  
Chief, Program Accounting Section  
Chief Fiscal Officer

Original of schedule of cash reconciliation to Treasurer of CCC and copies to each of following:

Chief, Program Accounting Section  
Chief Fiscal Officer